

## OUR KEY HUMAN CAPITAL RELATIONSHIPS

We communicate with our employees on an ongoing basis through face-to-face interactions, as well as electronic platforms such as email. During the year, there was increased engagement with the members of the executive committee and the Imperial Holdings

Board on the implementation of the group's Organisational Effectiveness Framework. In addition, our bi-annual leadership conferences serve as a platform to engage with Executive Forum members on the alignment of the group's strategy. Employee engagement surveys take place at divisional level and in 2017 we will undertake a group-wide survey.

Managing labour expectations during difficult economic conditions is a challenge and could lead to strike action, which is a material risk for

all our businesses. Some 85% of our employees in South Africa are covered by collective bargaining agreements. Our engagement with labour representatives and shop stewards at divisional level is ongoing and we actively participate in industrial labour councils to align our practices with industry best practice. Alignment of our people practices to bargaining council agreements is reported regularly. Formal grievance mechanisms, that comply with local legislation, are accessible to all our employees.

### KEY ISSUES RAISED THROUGH ENGAGEMENT

The need to improve strategic workforce and succession planning
Slow transformation at senior management levels
Investment in targeted leadership development programmes
A lack of people-related data and analytics
Inconsistent approach to performance management across the group
Impact of the changes being made to the organisation's structure
Local employment in international operations
Minimum wage in Germany

### PERFORMANCE AND INITIATIVES

	> See managing organisational effectiveness on page 4.
	> Executive and senior management incentive rewards are linked to growth in black (African, Coloured and Indian) representation at senior and middle management level. > 19,4% (2015: 17,5%) and 24,3% (2015: 21,2%) black representation at top and senior management respectively. > 16,5% (2015: 18,3%) and 20,8% (2015: 21,0%) women representation at top and senior management respectively. > See promoting workforce diversity on page 6.
	> Customised personal development plans are in place to drive an ethos of self-development. > 27 leaders attended the Executive Development programme during the year.
	> Human capital information management systems are being implemented. > The human resources foundation is being rebuilt to provide consistent people policies and practices across the group to enable proactive human capital decision-making that increases efficiencies and promotes an engaged workforce.
	> Once comprehensive job profiles are established across the group, a clearly defined performance, and remuneration and reward framework will be implemented.
	> Imperial Holdings executives are represented on the boards of the Logistics and Vehicles divisions to facilitate the change management process. > Change management and communication will start in August 2016 to ensure that sustainable results are achieved.
	> Understanding local markets and culture is critical and requires that we develop and recruit locally in all our geographic operations, and retain key individuals in the businesses we acquire. Expatriates are only used to assist with technical issues such as aligning financial reporting requirements and streamlining systems to align new acquisitions to the group's processes.
	 <i>Refer to page 20 of the Logistics section.</i>

 *More information on our stakeholder universe and our approach to stakeholder engagement can be found in the key relationships section.*